Is Business Development Your Strength or Achilles Heel?

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In today's data-driven world, it seems like it should be easy to use technology to improve any business process. Simply collect data, analyze it, and develop a new system. Problem solved.

Reality can be much different, especially with professional services firms. Professional services firms rely on relationship-driven sales and often, technology is viewed as a burden that does not drive business value. The complex nature of relationship-based sales makes all parts of the business more nuanced than a manufacturing, consumer goods, or retail company.

The business development function, which is meant to drive revenue, is one area that is particularly challenging. For many professional services firms, it is imperative that their staff successfully adopt technology into their sales process while remaining productive and engaged with their customers. However, there are many ways to hone the business development process without sacrificing the relationships at the heart of it all.

Business Development Has Clear Areas for Improvement

Business development resides at an exciting place in the organization. It falls somewhere on a spectrum between marketing, sales, and relationship-building. It is the function that helps businesses cultivate relationships and partners in order to build scalable sales pipelines. It is what drives growth and financial success. When it comes to challenges in this area, the difficulty does not usually stem from a lack of potential customers. Instead, the problems are often internal.

Some of the more significant obstacles to achieving success in business development today include:

- Challenges with collaboration, cross-selling, and upselling

- The view that CRM and other technology systems are an adminstrative strain

- Lack of BD ROI (business development return on investment) data

- A go/no-go, bidding, and approval process that is onerous or untimely, inhibiting competitiveness and relationship building

- Bid managers who spend excessive time prepping each proposal instead of developing consistency and synergy across proposals

- The inability to establish a standardized enterprise proposal process without impacting or degrading win chance

- Losing bids that are not coming in at the right number

- Lack of enforcement of appropriate enterprise-wide cost models and pricing tiers

- Regionalism or departmentalism preventing roll-up forecasting or pipeline analysis

- Lack of visibility into key and critical staff-able resources for proposals

It is clear that there are inefficiencies across the business development workflow. It is not just one thing that needs to change; the entire pursuit must be improved.

Pinpointing Weaknesses in the Business Development Pipeline

The first step in improving business development processes is taking a strategic look at this part of the organization. The overall process follows a Pursuit -> Bid/Proposal Phase -> Project Delivery Phase framework. Companies cannot improve their growth without considering each of these segments.

During the Pursuit phase, business development teams build on the data available, as well as personal relationships to conduct segmentation and prospecting. Within the Bid/Proposal Phase, various functions work together to facilitate a Go/No-Go decision in order to determine whether the prospect is worth pursuing. The planning phase then takes over, which includes developing a budget, deliverables, and resourcing. In the last phase, Project Delivery, the client is passed off to the project managers, architects, and engineers for execution and closure.

The main areas for improvement in this process include:

Accelerating the Proposal Process: Proposals for professional services firms require a significant investment on behalf of the firm in order to be competitive. This investment is often wasted through the production of a proposal that should be a repeat or a core competency, but in the bid cycle, is treated as a one-off. Technology focused on the bid and proposal management process can create synergies among numerous proposals, codify pricing models, and build in approvals to reduce proposal down-time.

Managing Backlog: To continue to drive growth in revenue, business development teams need to manage their backlog of prospects. This is not just a list of possible future clients. Instead, business development should leverage technology to facilitate ongoing conversations and relationship building with these prospects, so they can move them to the next phase when the time is right.

Facilitating Go/No-Go: In business development, sometimes the Pursuit phase persists for too long, resulting in wasted time and money. Alternatively, when the process is overly accelerated, the organization faces a higher level of risk. Developing a clear go/no-go decision-making process for when to continue pursuing prospects can improve overall resource allocation.

Improving Bid Accuracy: It is always challenging to determine how much to charge in a value-based model. Prices depend on many factors including cost structures and industry dynamics. Advanced analytical capabilities are needed to determine the appropriate pricing structure for different professional services clients.

Improving Win-Rate: The goal of business development is to win more clients. Better data inputs and analytics, along with more streamlined processes, can improve a company's win-rate and acquire more chances at bat.

Improving Risk Management: There is always a risk that a prospect will not turn into a client or that a client will not be a good long-term partner. Risk management provides greater visibility into each prospect's risk profile.

Improving Business Development ROI: An accurate ROI calculation must include the costs of all the inputs in the process. These should include the steps from pursuit to close weighed against the incoming revenue. This can be difficult to estimate, but improved data collection and analysis can help determine how to optimize and improve ROI. For growing firms, effectively measuring performance on investment versus bids won is critical.

All of the Added ROI, None of the Added Burden

Most professional services firms have a general understanding of the parts of their business development operations that are broken or inefficient. However, many don't know where to begin or often think that an overhaul to the process would be too disruptive on sales.

At Acumen Solutions, we help organizations present the best bids for new customers.

Project bids are calculated within Force.com, which enforces organization expectations while efficiently furnishing master account and employee data for automated calculations. These powerful estimation tools allow project managers and accountants to plan the most competitive proposals.

Our tools also allow inline risk identification and management. This ensures that risks are captured efficiently, potential impacts are monetized, and any issues are elevated to project governance. Our systems also include built-in approvals that are delivered via mobile, email, and in-system, allowing for rapid review and return. Additionally, our on-platform resource management gives project managers visibility into the best, most cost-effective, and available resources for the job.

Our tools address many problems with the bid process, including:

- Losing bids to price and structure

- Spending excessive time prepping each and every proposal, and instead developing synergies to speed up the proposal process

- Determining the costs incurred to win business

- Identifying unknown or unmanaged risks that are materializing and disrupting project execution

- Slow approval processes negatively affecting responsiveness to internal and external needs

We have helped companies improve their ROI by:

Gaining better visibility into the entire sales pipeline. Our tools integrate with many back-office systems such as ERP, financial systems, and individual project management tools to make these improvements seamless.

Improving the rate at which bids and proposals are generated and approved. Mobile capabilities make it possible for reviews to get done on the go. Timelines are important in the professional services industry, where prospects are often approached by multiple service providers at the same time.

Developing more competitive bids. Our solution develops pricing models for bids and proposals that ensure contracts are appropriately sized and margins are protected before execution begins.

Beating the competition. Our technology shows actual resource costs that pair with competitive revenue models. With a more streamlined bid process, bid managers spend less time creating one-off bids that typically harm win-rates.

Reducing revenue and margin loss. We identify and factor risk exposure up front into each bid. Assigning a monetary value to these risks supports a company's long-term success.

Shortening the prospect Pursuit phase. Our systems streamline the decision-making process, which results in both better client and employee experiences.

Each of these improvements can have tangible results on an organization's cost structure and potential revenue earned. These steps can result in significant improvements in the lifetime value of customers and improve employee tenure as well. When all historical and current project data is stored in one place, it is easier to continuously improve business development results.

Supercharge Business Development with the Right Partner

At Acumen Solutions, we have extensive experience helping professional services companies of all sizes improve critical business functions. We understand the importance of implementing systems in a way that doesn't harm relationships or weigh down the sales process.

Our solutions are designed to help companies achieve more customer loyalty through effortless customer service, accelerated revenue, increased conversions, and increased performance. This is achieved through on-demand analytics, financial analysis, and flexible and scalable IT transformation – in short, every part of the organization.

It may seem overwhelming to think about how technology touches every part of the company, which is why Acumen Solutions works with each client to determine their specific needs. From successful project delivery, to proposal/bid management and employee engagement, our professional services solutions help companies discover the right mix of technology to achieve the best sustainable business results.

Without the right tools in place, business development will likely continue to be your Achilles heel, causing you to lose time and money, waste resources, and accumulate unsatisfied clients and employees. However, by partnering with Acumen Solutions, you can turn business development into your greatest strength.

Resources:

https://blog.hubspot.com/sales/sales-vs-business-development-whats-the-difference-faq
http://thecontextofthings.com/2016/07/23/business-development-challenges/
http://knowledge.wharton.upenn.edu/article/160609b_kwradio_zook/

Why Acumen Solutions?

Clients choose Acumen Solutions for one simple reason: our experience delivers success. Joining forces with our clients, our team of strategists, subject matter experts, and engineers solve problems that can't be fixed by technology alone. As a Salesforce Global Strategic Consulting Partner, Fortune 500 companies trust us to build solutions that grow revenue and strengthen customer relationships.

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